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CALTRANS/DEPARTMENT OF TRANSPORTATION
FOR THE STATE OF CALIFORNIA
DIVISION OF TOLL BRIDGE PROGRAM

CALTRANS PUBLIC AFFAIRS
SAN FRANCISCO/OAKLAND BAY BRIDGE
EAST SPAN SEISMIC SAFETY PROJECT
CONTRACTOR OUTREACH

OCTOBER 9, 2002

ATKINSON-BAKER, INC.
CERTIFIED SHORTHAND REPORTERS
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REPORTED BY: KAREN A. MAROUSEK, CSR NO. 10022
FILE NO.: 9C0754E

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CALTRANS PUBLIC AFFAIRS MEETING RE SAN
FRANCISCO OAKLAND BAY BRIDGE EAST SPAN SEISMIC SAFETY
PROJECT CONTRACTOR OUTREACH held at 2550 Mariposa Mall,
Room 1036, Fresno, California, on behalf of CALTRANS,
commencing at 12:30 p.m., Wednesday, October 9, 2002,
before Karen A. Marousek, CSR No. 10022.

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A P P E A R A N C E S

PRESENTATION
(NOT REPORTED)

QUESTION/COMMENTS DBE OUTREACH EVENT

9
10 SARAH PICKER SENIOR TRANSPORTATION ENGINEER
11 ROBIN LEONARD QUALITY CONTROL & REVIEW SPECIALIST
12 DANETTA MARTIN CALIFORNIA STATE CONTRACTOR
13 (Advertising Bid Opportunities)
14 DANELLE McGRUE SMALL BUSINESS UNIT
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17 NETWORKING SESSION
18 (NOT REPORTED)
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1 OCTOBER 9, 2002
2 CALTRANS PUBLIC AFFAIRS MEETING
3 QUESTIONS/COMMENTS SESSION
4 -----

5 BY MS. PICKER

6 Now it's time for the question and answer
7 session. I'm going to ask Lowell to collect any blue
8 cards and bring those up to me. Again, if you want or
9 haven't had a chance to fill out the blue card, you're
10 invited to ask your question out loud. If you do so,
11 could you please speak very slowly and spell out your name
12 for the court reporter.

13 Okay. We have a comment or a question from
14 Odell McWayne, McWayne and Associates. They are a welding
15 materials and engineering firm. "Is there a list
16 available of attendees, prime and subcontractors who
17 attended all of the sessions?"

18 Yes. We do post all of the information from the
19 Outreach on the toll bridge web page. Okay. We are a
20 little bit behind in posting some of the attendee lists
21 for some of our outreaches, but we hope to catch up soon
22 so ultimately all of those will be posted.

23 Then the next question: "Has all of the
24 professional services contracting like E G Inspection of
25 welding materials already been awarded?"

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1 And I encourage you to look to the architect and
2 engineering contracting process on the office of
3 procurement web page, okay, that lists the existing
4 contracts that are out and any future activities.

5 So to specifically answer the question, I do not
6 believe all of the professional service contracts have
7 been awarded. Okay. There still might be some future.

8 Okay. We have a question from Guy Badasci from
9 Lemoore Hardware. No. 1: "Who do we contact to take
10 advantage of our small business status?"

11 Well, that's a large question in a sense, but we
12 encourage prime contractors to engage in business
13 enterprise with small business and DBE contractors and
14 DVBE contractors. So a suggestion would be for you to
15 pull down the plan orders list off the web page and
16 individually maybe contact the plan holders that are
17 listed there. Also participating in these Outreach events
18 is another way to create a link between you and prime
19 contractors.

20 And then the second question: "Who could we

21 give our catalog to?"

22 Well, I encourage you to give your catalog to
23 potential prime contractors and any potential subs of your
24 supplier. You might want to be marketing lower to your
25 subs as well as the prime contractor.

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1 Third: "How do we give bids and to whom?"

2 And again, Cal Trans is advertising these
3 contracts for bidding by prime contractors. We are
4 encouraging those prime contractors to create business
5 relationships with small business and DBE and DVBE
6 companies. And so the bidding relationship between the
7 small business would be between the prime and you. Okay.

8 Okay. Four, "How do we do business with our
9 local Cal Trans office in Lemoore? They are one block
10 away."

11 If you saw our -- on the handout that says
12 architecture and engineering contracts, the first bullet
13 shows the division of procurement web page. And on there
14 the procurement contracts are listed. Okay. And that
15 would be one way to do business with the local
16 Cal Trans offices. Again, also any local construction
17 contracts that are advertised for bid, you may want to try
18 to be a subcontractor to the prime contractors on those.

19 And then lastly, "How do we get a list of prime
20 contractors that need to buy from small businesses such as
21 us?"

22 And you can access the list of plan holders on
23 the web page, and that's for any advertised construction
24 contract, not just the Bay Bridge contracts.

25 Do you have a sixth question? I don't think you

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1 had a chance to complete this.

2 MR. BADASCI: On the buying preference, as a small
3 business we're also in an enterprise zone. Where does
4 that play in to effect?

5 MS. PICKER: Okay. The business enterprise zones are
6 local institutions that set those up, and so that would be
7 an incentive for prime contractors to use local
8 institutions. There wouldn't be any real incentive
9 specific between Cal Trans and those small businesses.
10 However, we encourage the contractors to do business with
11 local firms and small businesses.

12 And then -- so you were talking about business
13 enterprise and then small business preferences. Okay.
14 For construction contracts there are no preferences used.
15 For procurement contracts, though, there is a
16 5 percent small business incentive and that, again, you
17 need to go to the procurement web page.

18 Is there anybody else out there that has a
19 question or a comment that you would like to make for the
20 record? Sir?

21 MR. SENATORE: You know, I went to one of these in
22 Oakland, and I didn't see any prime contractors there.
23 But the point I'm getting at is: How can a small business
24 guy really connect up with some of these big primes?
25 These guys got to be dealing at least billions of dollars

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1 a year. You call them up and try to get in on a piece of
2 the action, and in reality to them you're really too
3 small. The only way that you could really get involved in
4 that -- like I tried to think if I could just get a little
5 bit of the rebar, and in a situation like this, this rebar
6 was so tight and so expensive that I couldn't find anybody

7 here locally that would take the job or the time to bid on
8 it. And I tried to call somebody up there.

9 I'm just trying to figure out, because in one
10 way you feel bad because you're a small business and
11 you're trying to force your way in on the game, okay.
12 Another way, when you start trying to do that, they're not
13 going to let you in any way, because I couldn't find
14 anybody up in San Francisco that even wanted to talk to
15 anybody from Fresno. Okay.

16 So I'm just trying to figure out if this is
17 really helping down here, or you're -- and this is nothing
18 personal against you, okay -- or you're just doing like
19 those letters that we get from an outfit in San Diego,
20 "This is out for bid and here's what we want." This --
21 your bid is going to be about a million and the bid is in
22 three days. Why don't you give us a bid on that, and this
23 type situation.

24 I don't see anybody else in Fresno that I know
25 of as a small business who hasn't really basically just

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1 stayed a small business and they do get some contracts
2 local every now and then. So don't get me wrong -- so I
3 hear about all of this in these programs, but I really
4 don't see it. Just a comment, I guess or a question in
5 general or observation.

6 MS. PICKER: I appreciate your comment, and again, I
7 don't take it personally. Our goal here being here today
8 is to try to increase participation, and one way of that
9 is to educate you about the project. It's true that there
10 are no prime contractors here today, and I'm deeply
11 disappointed. We do encourage prime contractors to attend
12 these outreaches, especially, we find very useful, the
13 networking session.

14 MR. SENATORE: Well, I was up in Oakland and I was
15 told there was a prime contractor there, but I went to
16 every desk sitting outside when you came out of the
17 auditorium, introduced myself, and basically all I got was
18 "Hi, how are you?" "Oh, fine." "Good luck." Which is, I
19 guess is -- see, that's the part about feeling bad. They
20 never use -- come up here and try to get in our game, you
21 know what I mean?

22 Well, I'm a small business, let me in. Damn it.
23 Or you can -- well, okay. I'm not in on the game up here.

24 Do you understand what I'm trying to say? So I
25 don't see all this action for the small business that's

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1 supposed to be here. For example, I saw the list of
2 items, small items, say the chain-link fence, one manhole,
3 you know, items like that. And it's still going to be bid
4 to the general. Okay. So it's still the same thing.
5 It's like, hey, I would love to be able to bid just the
6 material for electrical. Okay. But then again, I'm not
7 putting in it and I'm sure the electrical contractor has a
8 better deal than I do with another contractor or any other
9 material house.

10 Am I explaining the frustrations clear enough?

11 MS. PICKER: You surely are, and I want to let you
12 know that we are taking a transcript of today's question
13 and answer and that these comments are taken very
14 seriously. So I can't provide a solution or answer to the
15 dilemma you proposed, but I can let you know that it's --

16 MR. SENATORE: Well, because of health reasons, I'm
17 basically going to have to get out and that's why this is
18 probably the last time I'm in any of these meetings. But

19 the point being, that's why I'm opening up my mouth is
20 because I'm gone. I'm out of here. So if I make you guys
21 mad or something, it doesn't make any difference anyway.
22 I try and kiss your ass, it doesn't do any good. That's a
23 joke. I'm sorry.

24 So the point being, I think I'm voicing some
25 frustrations some of these people feel.

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1 MS. PICKER: I appreciate your comment.

2 MR. JONES: What he's saying is very true. I found
3 that when I tried to contact some of the large primes,
4 they may say, "Well, we've got our small business guy, but
5 we don't -- you know, we're not really looking for
6 anyone." Or if you E-mail them or call them on the phone,
7 you know, you're blocked. You don't get any answers back;
8 you don't get a return call, that sort of thing.

9 MS. SENATORE: I guess, legitimately they do have
10 their, I guess, small guy quoted, if you will. Because I
11 think that that's what they look at or they have somebody
12 that they have been working with for years. So how do you
13 get in there? How did you become another small guy for
14 them? You know, how do you get in there?

15 MS. PICKER: Well, we do have hopes that these
16 Outreach efforts will help increase the participation
17 levels, and all I can say is that I hope you persevere in
18 your attempts, I encourage you to get the plan holders
19 list and market those firms as best you can. I want to
20 also remind you that we do have Tri Axel here and they are
21 a consultant to contract. Their services are available to
22 you for free and they can help you with some of your
23 efforts to prepare a bid or to market some of the
24 contractors.

25 MR. SENATORE: In other words, if we go to him, he'll
001 put us in with the contractor?

1 MS. PICKER: Well, no, he can help you.

2 MR. SENATORE: That's my point. What's he going to
3 do that you need that he's going to do? Well, that's
4 nice. Really, people, it really doesn't get you to the
5 contract, okay. I'm not trying to be rude now.

6 MS. PICKER: I know you're not. Thank you.

7 MR. SENATORE: I'm trying to face reality here.
8 Okay. And maybe you, Cal Trans -- and when I say "you,"
9 please don't take this personally, okay. Cal Trans or any
10 other one of these bigger projects, maybe they need to
11 hire somebody to look at some of the smaller items on the
12 project and give the small business a chance without
13 having to go to a large -- through these contractors.
14 Because it's all -- and this big contractor -- I don't
15 blame you, don't get me wrong -- can't handle everything.
16 And so it all goes down to whoever knows who is in that
17 office and that contractor who handles those small-time
18 contracts.

19 Whereas if Cal Trans did a small part of that,
20 and nobody -- I couldn't sit here and gripe at you if you
21 came and said, "Gary, here's \$100,000 worth of work on
22 that project." And what it is is going and removing all
23 the manholes. And I take that project, all right. Now,
24 if I mess that up, there's no way I can be here right now,
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1 okay, griping and complaining. But if I never get a
2 chance to mess up removing those manholes for 100,000
3 bucks, then I think I have a right to complain. Because I
4 hear all this stuff that you're not -- not you, that Cal

Trans is doing for all the small businesses in the State of California. And somehow, some way I feel -- I could be 100 percent wrong -- but somehow Fresno got overlooked. Somebody flew the airplane over Fresno and a body fell down.

But anyway, no, that's -- I'll bet you anything there's other small businesses other than the guy in Fresno that can say the same thing that I'm saying right now. I don't know, I could be wrong. I hope that I am, so that maybe we can get some of the action out of the Valley here.

MS. LEONARD: I'd kind of like to respond. We at Cal Trans realize the frustration that you're going through, I work in the DVBE certification and have worked in the small business program and also have worked in the awards and advertising with Cal Trans. And honestly the department is doing everything it possibly can to get an increased participation.

Where we run in to a problem is that this is a goal, and we cannot do set-asides. You may remember in the '80s there were set-asides where a certain amount of

money was set aside specifically to go to small businesses, DBEs. So we're trying to find ways, and we're just as frustrated as you -- some of us are -- because I have to talk to you people every day. And I know that very few of you get contracts.

I know that out of, you know, all the prime contractors in California there's probably twelve that bid on the majority of the contracts. And maybe 200 out of the 3,000 certified firms may get some of that money. So it's good that you continue to tell us what your issues are. But I would ask that maybe in telling us what your issues are that maybe you could help us find some conclusions.

MR. SENATORE: I just did. Getting some of these from Cal Trans has nothing to do with placing. The money to call businesses, small businesses, say, well listen, da, da, da. You call me, okay, and say two months ago and said I could be paid 100,000 bucks for picking up manholes. I guarantee I would have moved to San Francisco. I mean, that's how I'm viewing it. You understand what I mean?

So the point being is I suggest that you get somebody on these bigger projects to look at what can be done by a small business or a disadvantaged or whatever business and you apportion it out.

MS. LEONARD: That's a good suggestion.

MR. SENATORE: And actually you should charge the contractor for doing it, but on these bigger projects, you can do this and help the small businesses around the area or any other area, and offer them a little piece of the pie to be on the same business and maybe grow.

MS. LEONARD: I would like you to get one of my business cards before you leave and get in contact with me because we need all the suggestions we can get, and we need to go forward to upper management and provide them with suggestions, so we can get --

MR. JONES: May I ask something? What leverage does the state have on these large prime contractors? If XYZ corporation says, "Okay, I've searched all over creation for a small business partner and I couldn't find anybody." So now what do I do?

Now I would think that, what leverage does the state have to go back to this big corporation and say, "Okay, your Outreach program is not good enough. You didn't -- you know, you found no one, but we know there's guys out there, but all you come up and you can't find anybody." What's the State's response to the corporation?

MS. PICKER: Let me just explain that in the contract document there is a specified goal and there are specified procedures that contractor has to report to Cal Trans what

they did to try to get small businesses or DBEs to bid on the contract.

MR. JONES: What I'm saying they're saying that, and the corporation is saying, "Yeah, we're looking." But all that means is we're skirting the rules, is what they're doing. That's how I see it they're getting around rules. "We're looking, but we can't find anyone."

MS. LEONARD: We looked at that issue also. And the state, at this point, our hands are really tied. We don't really have leverage to make them do anything.

However, with these particular contracts, originally, the Bay Bridge Contract was three contracts, wasn't it?

MS. PICKER: Okay. That -- basically the Bay Bridge was major construction contracts that were three major construction contracts. We took one of those major construction contracts and broke it into smaller pieces to try and encourage opportunities for business enterprises. So that was one method that we used to try to make it, say, easier for small businesses to get in to that, in to the contracts.

MS. LEONARD: And we have been communicating with prime contractors and encouraging them and discussing with them the need for this. Because everybody in California, and I don't know if you're aware of this, but the majority

of the businesses in California are small businesses, 98 percent of them.

It's no secret that California's economy is not in the best of shape. We can help you, the economy of California, by increasing that participation. But as far as leverages, the Public Contract Code, the public contract laws, and they are very specific, and we can't go against those. So we can't force a contractor. All we can do is continue to try and find innovative ways to do things. And as you know bureaucracy gets in the way.

In order for us to do some things we first have to get some information our departments and find out what we really can do. So it is a frustrating situation. But I do know people who have been very successful, who have gotten an opportunity to work with prime contractors are now helping other small businesses, give them a piece of the pie also. It does work. It's just not straight across the board.

MS. PICKER: Any other comments or questions?

MR. BADASCI: Is there a Cal Trans person who can help us set up a program to contact these people, and if we're still not getting success -- this gentleman said, maybe lean on them a little bit?

MS. PICKER: Okay. There is -- okay. For the efforts to contact prime contractors, you can access the

plan holders list off the web page and individually do that. If you need help in preparing a bid or

3 understanding the contracting process, you have the access
4 to Tri Axel. Okay. Then other mechanisms to have your
5 voice heard about maybe what you might say the frustration
6 with the ability or nonability to get jobs would be
7 through local business enterprise groups, through the
8 small business counsel that Cal Trans has in any district,
9 or write letters to your local elected officials or Cal
10 Trans itself.

11 There is a limit of what we can do at this
12 point. I understand your concerns and that is part of the
13 reason that we have a court reporter here to record the
14 comments, and those comments are read and taken seriously
15 by Cal Trans management. But I would like to say that
16 today that's about all I can give you is what you can do.

17 MR. BADASCI: So would they, like, meet us in person
18 or just over the phone it doesn't seem to really work,
19 like meet them in person and talk to them?

20 MS. PICKER: Meet Cal Trans officials in person?

21 MR. BADASCI: Cal Trans or Tri Axel assistant.

22 MS. PICKER: We have Nathan from Tri Axel who is here
23 today, I encourage you to talk to him and collect a
24 business card. He has an office located in Oakland.
25 Okay. So if proximity is an issue for those services,

001 1 then you need to make yourself heard to Cal Trans, if
2 proximity is an issue. All right.

3 And then, also, in each Cal Trans local
4 district, they have small business counsel, and I
5 encourage you to contact the Cal Trans local district and
6 talk to the small business counsel coordinator. Okay.
7 I'm not -- I just want to let you know, I'm not trying to
8 say that that's all you can do, but I just want to tell
9 you what I know offhand, and I want to encourage you to
10 use those mechanisms and, if possible, if you think you
11 need to create more mechanisms then that's between you and
12 your business associates.

13 MS. LEONDARD: Sarah, I would like to suggest that
14 anyone who has those concerns or wants to get in contact
15 with their small business person, if they pick up one of
16 my cards I can help them know what small business counsels
17 exist and who they can make contact with in the state so
18 you can get involved in the process. Because the small
19 business counsels are trying to find ways to increase
20 participation and to work with prime contractors, and they
21 are always looking for people to become involved and to
22 assist them in that process. So any of you are welcome to
23 pick up my business card and give me a call, and I'll try
24 to give you as much information as I can.

25 MS. MARTIN: I want to encourage you -- some of you

002 1 to stop by, because what we have is the California State
2 Contractor which advertises bid opportunities daily. And
3 what you can do, we have this program called the Sub
4 Description Average Service. Do any of you know about
5 that? Where you go and create your own user profile and
6 those advertisements or bids will come directly to you via
7 E-mail or fax. That is a benefit, you don't even have to
8 -- you can go in there and create your own user profile
9 and that service is free to you. And if you need more
10 information, I have it here.

11 MS. McGRUE: There is also within Cal Trans a Small
12 Business Unit that I work in, and we can also be of
13 assistance to you.

14 MR. SENATORE: Where are you located?

15 MS. McGRUE: Sacramento.

16 MR. BADASCI: Is there any offices that you have
17 around here?

18 MS. McGRUE: Yes. There's twelve district offices up
19 and down the State of California. You give me your name
20 and number, and I will give you a list of all our small
21 business district liaisons.

22 MS. PICKER: Okay. This concludes the presentation
23 portion of our event. Now, we'll be sticking around as
24 long as anybody wants to stay and talk and might want to
25 continue this conversation and brainstorm about different
002 things that we might jointly do, what you see as a
1 problem.

2 I appreciate you're being here. Thank you.

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5 I declare under penalty of perjury that the
6 foregoing proceedings were taken at the time and place set
7 forth on the first page hereof and duly transcribed by me
8 from stenotype to English and are a true and correct
9 transcription thereof.

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KAREN A. MAROUSEK, CSR 10022